# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

May 18, 1998

**Central Kansas Railway Plans Rate Increase.** Grain elevators west of Wichita, Kansas, are being faced with a per-rail-car increase of $750, more than twice the current rate. The surcharge per bushel would increase to 23 cents. William Frederick, President of The Central Kansas Railway (CKRY), claims in a recent letter to affected elevators that the surcharge is necessary "to offset rising cost associated with providing rail freight service to or from the stations named in the tariff." Counties affected by the increase will include northern Harper, southern Kingman, and Protection, as well as another short section between Burdett and Jetmore in western Kansas. In this instance, grain shippers generally prefer to use rail transportation over truck, due to cost and the loading capacity of a rail car. The grain-loading capacity of one rail car is comparable to that of four trucks. However, in the case of CKRY, some elevator managers claim that unreliable service and the lack of available rail cars have forced them to rely more on trucking to move their grain. Charlie Swayze, president of Sunflower Shippers Association, stated that even when shipping by truck was less expensive, "we stayed with them (CKRY) to support them and keep rail service here." CKRY and its customers have had problems over various issues since 1992, after the formation of the rail line. The railroad has, for instance, significantly increased lease rates for land on which many grain elevators are located. This caused the formation of new laws, which would allow the appointment of mediators in lease disputes. The currently proposed surcharge is set to begin on May 26. *(AP)*

**Association Begins Talks with Rail Carriers.** The National Grain and Feed Association (NGFA) has begun meeting with rail representatives in an effort to end the ongoing problems of grain transportation. During the talks, NGFA will present several issues, including its demand for the formation of a private system of mandatory and binding arbitration between shippers and rail carriers for any future disputes. The NGFA would also like rail lines to allow shippers the option of switching to an alternate and competing rail line. In addition, shippers that are captive to one carrier would like the carriers to offer a rate, which would allow shipment to an exchange point. Representatives of the NGFA have stated that they would support the reauthorization of the Surface Transportation Board for an additional 2 years if some of their issues are satisfied. The talks are scheduled to continue until May 28. *(Bridge News)*

**Statistics Show No Sign of Overall Improvement in UP's Service.** Statistical average performance measures submitted by Union Pacific Railroad (UP) showed no sign of overall improvement in UP's service. Also, the average train speed has remained unchanged, at 25 percent below standard levels. In addition, freight car switching time has slowed despite a reduction in the number of cars on the system. On a positive note, Jim Shattuck, UP's Executive Vice President of Sales and Marketing, said recently he believes intermodal train velocities will return to a typical average speed of 27 miles per hour by next month. He also said North-South intermodal service, which was halted at the height of the congestion problems last year, is nearly normal now. Railroads operating in Northern states are also experiencing some summer delays due to maintenance activities, but UP has reported many more delays in recent weeks than at this time last year. *(Journal of Commerce, Bridge News)*

**Note:** Numerical revisions have been made on page 5 of this report in the section entitled "Rail Deliveries to Port," due to the inclusion of additional proprietary data, which had been unavailable until recently. Bound by the dynamic nature of the industry, we strive to present the most current, accurate information available.

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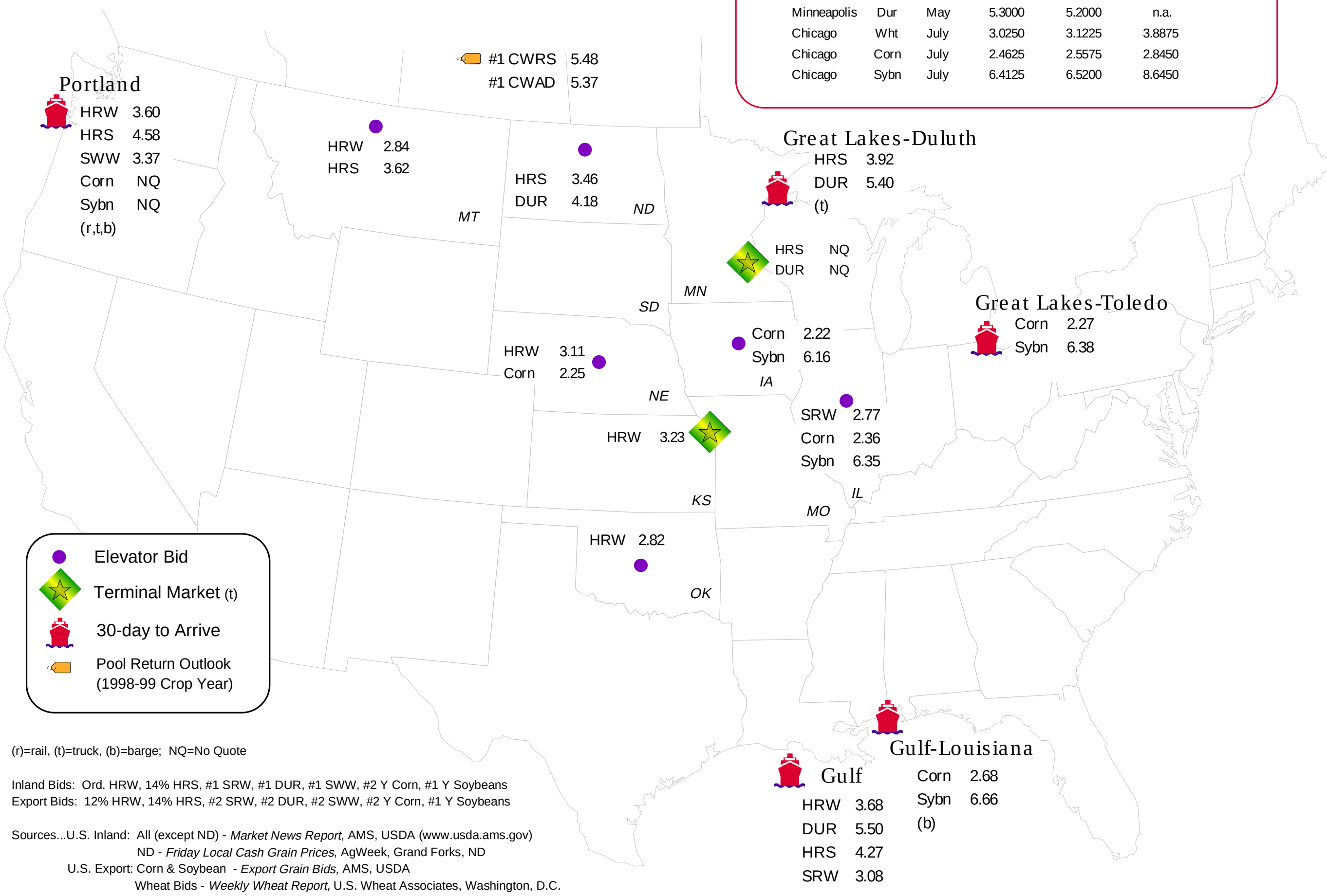
# Grain Bid Summary

| Futures: | | | 05/15/98 | Week Ago 05/08/98 | Year Ago 05/16/97 |
|---|---|---|---|---|---|
| Kansas City | Wht | July | 3.2275 | 3.2825 | 4.2400 |
| Minneapolis | Wht | July | 3.6350 | 3.6750 | 4.1525 |
| Minneapolis | Dur | May | 5.3000 | 5.2000 | n.a. |
| Chicago | Wht | July | 3.0250 | 3.1225 | 3.8875 |
| Chicago | Corn | July | 2.4625 | 2.5575 | 2.8450 |
| Chicago | Sybn | July | 6.4125 | 6.5200 | 8.6450 |

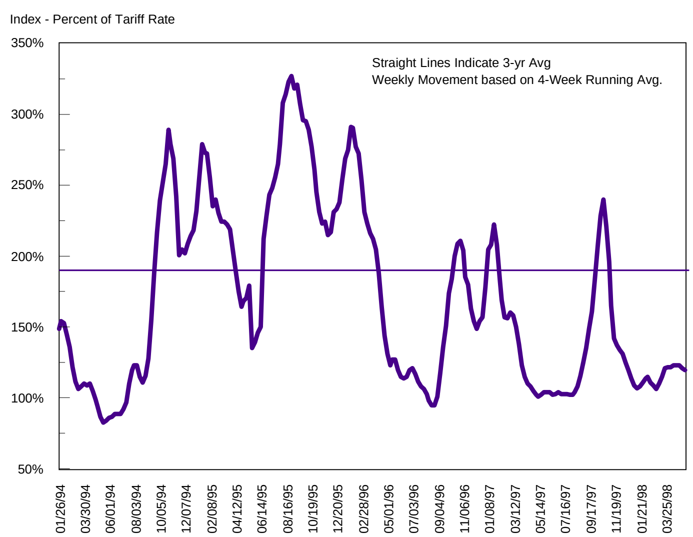



(r)=rail, (t)=truck, (b)=barge; NQ=No Quote

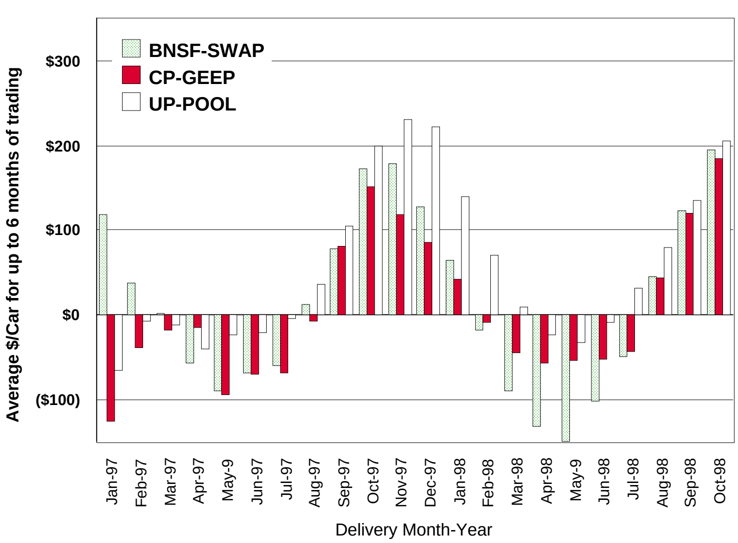
Inland Bids: Ord. HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: 12% HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA (www.usda.ams.gov)
ND - *Friday Local Cash Grain Prices*, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

## Spot Barge Rate - Illinois River




## Secondary Rail Market Bids




*See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.*

**Rail Car 'Auction' Offerings**

| Delivery for: | Jul-98 Offered | Jul-98 % Sold | Sep-98 Offered | Sep-98 % Sold |
|---|---|---|---|---|
| **BNSF-COT** | no offer | | no offer | |
| **UP-GCAS** | 5,400 | 14% | 5,400 | 10% |

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

**Secondary Rail Car Market**
Average Premium/Discount to Tariff, $/Car - Last Week

| | Delivery Period | | | |
|---|---|---|---|---|
| | Jun-98 | Jul-98 | Aug-98 | Sep-98 |
| BNSF-COT | $(47) | $(5) | $68 | $153 |
| CP-GEEP | $(22) | $(29) | $50 | $133 |
| UP-Pool | $19 | $78 | $109 | $155 |

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

*note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted*

**Railroad Car 'Auction' Results**
Average Premium/Discount to Tariff, $/Car - Last Auction

| Delivery for: | Jul-98 | Sep-98 | Oct-98 |
|---|---|---|---|
| COT/N. Wheat | no offer | no offer | no offer |
| COT/S. Corn | no offer | no offer | no offer |
| GCAS/Region 2 | $13 | $8 | no offer |
| GCAS/Region 4 | $88 | $124 | no offer |

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

## Southbound Barge Freight Nominal Values*
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

| Week ended | River/Region | Contract Period | Rate |
|---|---|---|---|
| 5/8/98 | Upper Miss. | nwk | 145 |
| | Mid Miss. | twk | 122.5-125 |
| | Illinois River | twk | 125 |
| | | nwk | 115 |
| | St. Louis | twk | 100 |
| | Ohio River | twk | 95 |
| | Lower Ohio | twk | 95-100 |

*Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

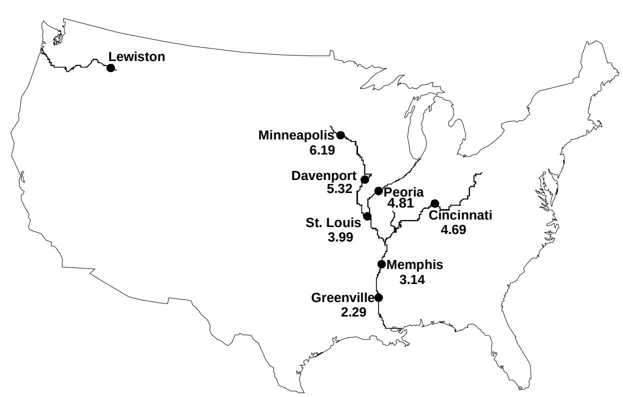
twk=this week
nwk=next week

## Southbound Barge Freight Spot Rates

| | 5/13/98 | 5/7/98 | June '98 | August '98 |
|---|---|---|---|---|
| Twin Cities | 145 | 143 | 145 | 155 |
| Mid-Mississippi | 125 | 121 | 122 | 130 |
| Illinois River | 122 | 114 | 115 | 122 |
| St. Louis-Cairo | 98 | 100 | 95 | 105 |
| Lower Ohio | 100 | 95 | 102 | 112 |
| Cairo-Memphis | 92 | 93 | 92 | 107 |

Source: Transportation & Marketing /AMS/USDA
nq- no quote

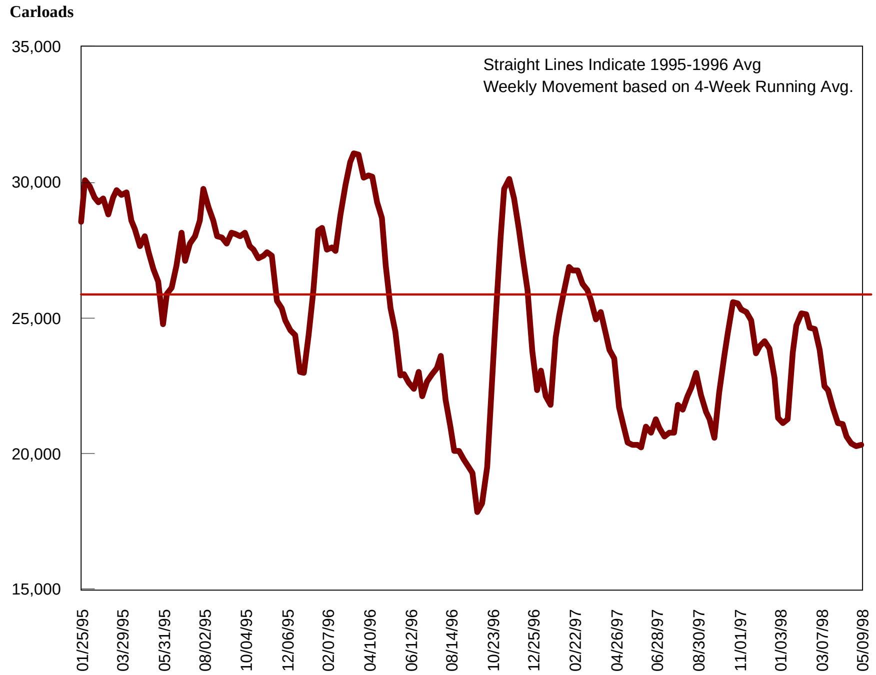
**Barge Benchmark Tariff Rates**
**Est. 1976 - 'Tariff No. 7'**



| Class I Railroad Grain Car Loadings | |
|---|---|
| Week Ending: | Carloads |
| 4/25/98 | 20,572 |
| 5/2/98 | 20,676 |
| 5/9/98 | 19,183 |
| Year to Date - 1998 | 405,621 |
| Year to Date - 1997 | 443,535 |
| Total 1997 | 1,199,995 |
| Total 1996 | 1,235,123 |

Source: American Association of Railroads

### Grain Car Loadings for Class I Railroads




## Class I Rail Carrier Grain Car Bulletin

Carloads

| | East | | | | West | | | Canada | |
|---|---|---|---|---|---|---|---|---|---|
| | Conrail | CSXT | IC | NS | BNSF | KCS | UP | CN | CP |
| 05/09/98 | 658 | 2,304 | 1,416 | 2,230 | 6,196 | 632 | 5,747 | 2,424 | 3,616 |
| This Week Last Year | 575 | 2,120 | 1,476 | 2,115 | 6,036 | 683 | 6,256 | 3,362 | 4,671 |
| 1998 YTD | 12,816 | 44,150 | 24,403 | 46,239 | 150,685 | 12,023 | 115,305 | 47,776 | 78,242 |
| 1997 YTD | 9,378 | 44,077 | 29,847 | 45,404 | 149,587 | 12,345 | 149,826 | 51,031 | 81,439 |
| 1996 Total | 31,733 | 111,509 | 48,695 | 131,568 | 432,687 | 30,009 | 439,865 | 129,714 | 181,387 |
| 1995 Total | 37,851 | 133,755 | 61,612 | 139,043 | 410,274 | 34,393 | 447,786 | | |

Source: American Association of Railroads

## Tariff Rail Rates for Unit Train Shipments

May 1998

| Date Effective | Tariff Item | Commodity | Origin | Destination | Rate Per Car | Rate Per MT | Rate/Per Bushel* |
|---|---|---|---|---|---|---|---|
| 05/01/98 | 45560 | Wheat | Minneapolis, MN | Houston, TX | $2,050 | $18.60 | $0.62 |
| 05/01/98 | 43521 | Wheat | Minneapolis, MN | Portland, OR | $4,027 | $36.54 | $1.21 |
| 05/01/98 | 46540 | Wheat | Kansas City, MO | Houston, TX | $1,350 | $12.25 | $0.41 |
| 05/01/98 | 43586 | Wheat | Kansas City, MO | Portland, OR | $3,812 | $34.59 | $1.14 |
| 05/01/98 | 43581 | Wheat | Omaha, NE | Portland, OR | $3,505 | $31.81 | $1.05 |
| 05/01/98 | 31040 | Corn | Minneapolis, MN | Portland, OR | $2,865 | $22.87 | $0.80 |
| 05/01/98 | 33111 | Corn | Kansas City, MO | Houston, TX | $1,450 | $11.57 | $0.41 |
| 05/01/98 | 31035 | Corn | Kansas City, MO | Portland, OR | $2,600 | $20.75 | $0.73 |
| 05/01/98 | 31040 | Corn | Omaha, NE | Portland, OR | $2,485 | $19.83 | $0.70 |
| 05/01/98 | 61180 | Soybean | Minneapolis, MN | Portland, OR | $3,080 | $27.95 | $0.92 |
| 05/01/98 | 61180 | Soybean | Omaha, NE | Portland, OR | $2,780 | $25.23 | $0.83 |

Source: www.bnsf.com

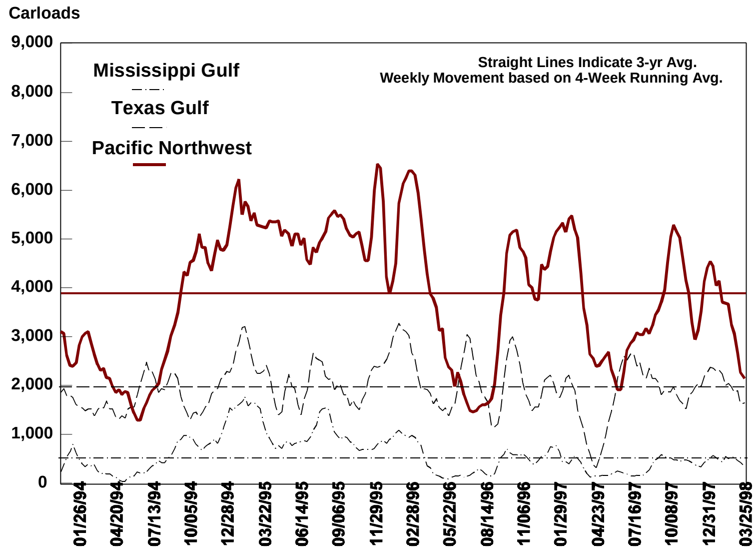
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

**Rail Deliveries to Port**
Carloads

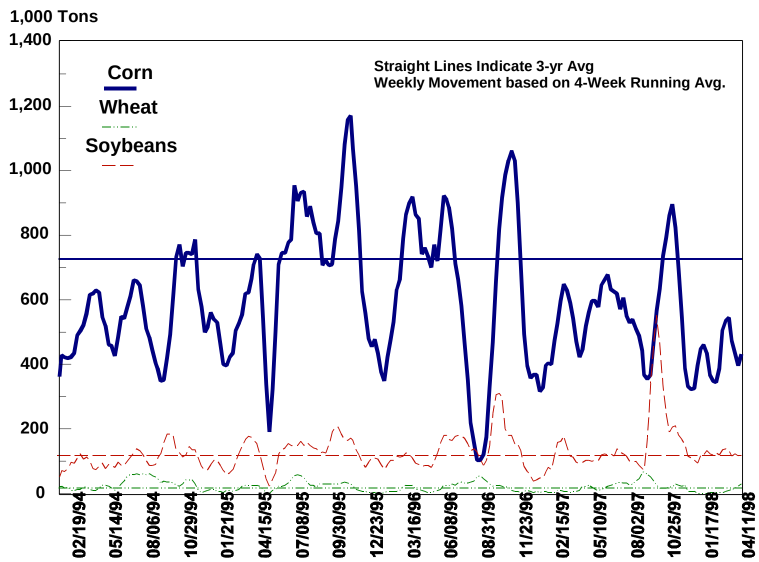
| | Mississippi Gulf | Texas Gulf | Pacific Northwest | Atlantic & East Gulf |
|---|---|---|---|---|
| Week Ending: | | | | |
| 4/22/98 | 558 | 1,471 | 2,536 | 327 |
| 4/29/98 | 163 | 1,293 | 1,797 | 78 |
| 5/6/98 | 135 | 2,092 | 2,193 | 31 |
| YTD 1998 | 8,035 | 36,485 | 61,252 | 5,240 |
| YTD 1997 | 9,311 | 31,605 | 84,241 | 2,848 |
| Total 1997 | 20,152 | 93,265 | 194,905 | 9,147 |
| Total 1996 | 25,899 | 113,804 | 199,709 | 11,304 |

Source: Transportation & Marketing/AMS/USDA

**Rail Deliveries to Port**




Barge Movements - Locks 27




**Barge Grain Movements**
for week ending 05/9/98

| | Corn | Wht | Sybn | Total |
|---|---|---|---|---|
| | | 1,000 Tons | | |
| **Mississippi River** | | | | |
| Rock Island, IL (L15) | 313 | 29 | 63 | 405 |
| Winfield, MO (L25) | 392 | 18 | 90 | 500 |
| Alton, IL (L26) | 594 | 17 | 127 | 739 |
| Granite City, IL (L27) | 556 | 44 | 124 | 725 |
| **Illinois River (L8)** | 188 | 0 | 31 | 220 |
| **Ohio (L52)** | 2 | 0 | 7 | 58 |
| **Arkansas (L1)** | 0 | 10 | 14 | 24 |
| 1998 YTD | 8,522 | 556 | 3,013 | 13,522 |
| 1997 YTD | 9,320 | 480 | 2,637 | 14,103 |
| Total 1997 | 29,685 | 2,689 | 9,584 | 45,315 |
| Total 1996 | 34,210 | 2,348 | 8,297 | 48,963 |

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers

**U.S. Export Balances*** (1,000 Metric Tons)

| | Wheat | | | | | | Corn | Soybean | Total |
|---|---|---|---|---|---|---|---|---|---|
| | *HRW* | *SRW* | *HRS* | *SWW* | *DUR* | *All* | | | |
| Unshipped Exports-Crop Year | | | | | | | | | |
| 05/07/98 | 976 | 235 | 1,050 | 435 | 177 | 2,874 | 5,667 | 1,587 | 10,128 |
| This Week Year Ago | 1,329 | 154 | 853 | 667 | 273 | 3,276 | 7,988 | 2,781 | 14,045 |
| Cumulative Exports-Crop Year | | | | | | | | | |
| 97/98 YTD | 9,213 | 4,625 | 5,849 | 5,210 | 1,172 | 26,069 | 25,268 | 21,800 | 73,137 |
| 96/97 YTD | 7,170 | 3,608 | 7,552 | 5,811 | 921 | 25,063 | 32,874 | 21,156 | 79,093 |
| 95/96 Total | 9,867 | 6,792 | 8,918 | 6,443 | 897 | 32,917 | 55,769 | 23,550 | 112,236 |
| 94/95 Total | 10,157 | 5,453 | 7,686 | 5,837 | 893 | 30,026 | 54,742 | 23,410 | 108,178 |

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

**Select U.S. Port Regions - Grain Inspections for Export -** 1,000 Metric Tons

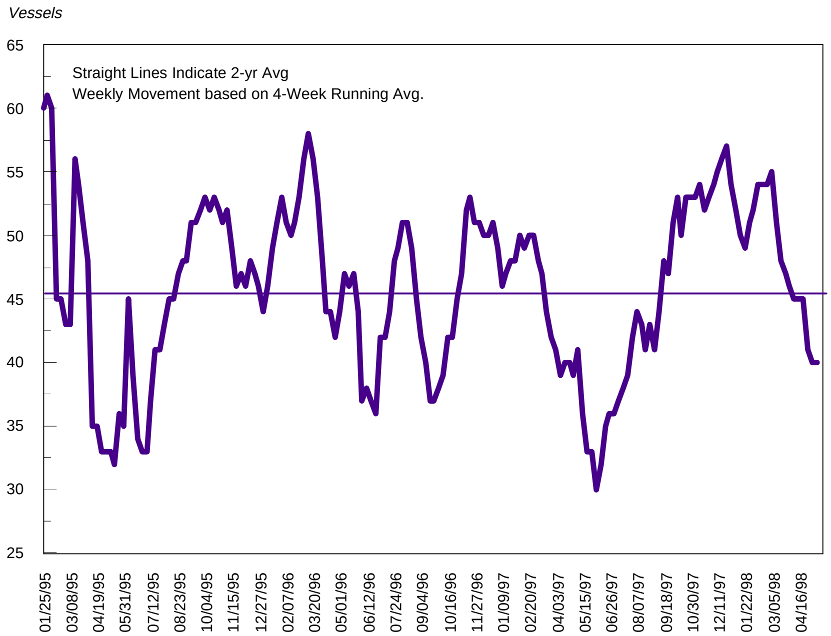
| | Pacific Region | | | Mississippi Gulf | | | Texas Gulf | | |
|---|---|---|---|---|---|---|---|---|---|
| | *Wheat* | *Corn* | *Soybean* | *Wheat* | *Corn* | *Soybean* | *Wheat* | *Corn* | *Soybean* |
| 05/14/98 | 152 | 56 | 0 | 25 | 418 | 119 | 66 | 29 | 0 |
| 1998 YTD ** | 3,640 | 2,657 | 363 | 2,142 | 9,740 | 6,719 | 2,133 | 172 | 481 |
| 1997 YTD ** | 4,546 | 4,804 | 873 | 1,422 | 11,568 | 7,729 | 997 | 916 | 406 |
| % of Last Year | 80% | 55% | 42% | 151% | 84% | 87% | 214% | 19% | 118% |
| 1997 Total | 11,156 | 9,728 | 1,764 | 6,349 | 28,183 | 18,658 | 5,106 | 1,001 | 1,014 |

Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**
1,000 Metric Tons, Crop Year

| | Wheat | Durum | Barley |
|---|---|---|---|
| Week Ended: 05/14/98 | | | |
| Vancouver | 5,524 | 946 | 941 |
| Prince Rupert | 3,423 | 30 | 340 |
| Prairie Direct | 903 | 312 | 375 |
| Thunder Bay | 360 | 273 | 284 |
| St. Lawrence | 3,198 | 1,674 | 8 |
| 1997 YTD Exports | 13,408 | 3,236 | 1,948 |
| 1996 YTD Exports | 10,566 | 2,993 | 2,707 |
| % of Last Year | 127% | 108% | 72% |

Souce: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31

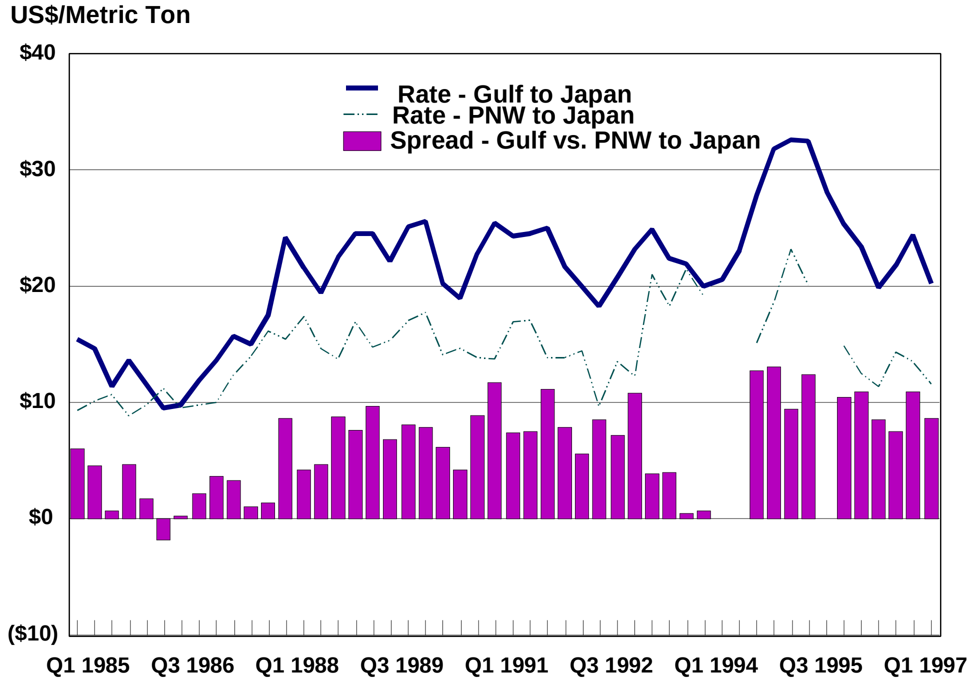



**Gulf Region Vessels Loaded - Past 7 Days-**

**Port Region Ocean Grain Vessels**

| | Gulf | | | Pacific Northwest | | | Vancouver, B.C. | | |
|---|---|---|---|---|---|---|---|---|---|
| | In Port | Loaded 7-Days | Due Next 10-Days | In Port | Loaded 7-Days | Due Next 10-Days | In Port | Loaded 7-Days | Due Next 10-Days |
| 05/07/98 | 24 | 35 | 45 | 7 | | | 6 | 10 | 1 |
| 05/14/98 | 33 | 42 | 50 | 13 | | | 8 | 10 | 1 |
| 1996 Range | (17..46) | (38..61) | (27..88) | | | | | | |
| 1995 Range | (11..67) | (22..64) | (31..90) | | | | | | |
| 1997 Avg | 37 | 46 | 62 | | | | | | |
| 1996 Avg | 31 | 45 | 60 | | | | | | |
| 1995 Avg | 31 | 46 | 61 | | | | | | |

Source: Transportation & Marketing /AMS/ USDA




**Quarterly Ocean Freight Rates**

**Quarterly Ocean Freight Rates**
Weighted Average Rates & Vessel Size, U.S. Dollars/Metric Ton - Basis

| | 1997 4th Qtr | 1996 4th Qtr | % Change | | 1997 4th Qtr | 1996 4th Qtr | % Change |
|---|---|---|---|---|---|---|---|
| **Gulf to** | | | | **Pacific NW to** | | | |
| Japan | $22.01 | $22.64 | -3% | Japan | $13.34 | $14.66 | -9% |
| Mexico | $13.97 | $14.96 | -7% | Red Sea/ Arabian Sea | $20.18 | $22.74 | -11% |
| Venezuela | $13.59 | $12.62 | 8% | | | | |
| N. Europe | $11.34 | $13.28 | -15% | | | | |
| N. Africa | $14.80 | $15.87 | -7% | **Argentina to** | | | |
| | | | | N. Europe | $16.12 | $18.15 | -11% |
| | | | | Japan | $23.23 | $30.37 | 14% |

Source: Transportation & Marketing/AMS/USDA

**Ocean Freight Rates**

| Export Region | Import Region | Grain | Month | Volume Loaded (Tons) | Freight Rate ($/Ton) |
|---|---|---|---|---|---|
| Gulf | Gibraltar/Denmark | Grains | May | 55,000 | $7.80 |
| Gulf | Europe | Grains | May | 60,000 | $7.50 |
| Gulf | Turkey | Heavy Grains | Spot | 50,000 | $13.90 |
| Gulf | Egypt | Heavy Grains | May | 55,000 | $10.00 |
| PNW | Philippines | Corn | Spot | 50,000 | $11.00 |
| PNW | South Yemen | Wheat | May | 37,000 | $24.00 |
| Paranagua | Lisbon/Hamburg | Grains | Prompt | 30,000 | $14.50 |
| River Plate/Brazil | Japan | Heavy Grains | May | 50,000 | $19.00 |
| River Plate | Iran | Heavy Grains | Prompt | 50,000 | $18.75 |
| River Plate | Taiwan | Heavy Grains | June | 54,000 | $17.05 |

Source: Maritime Research Inc.